



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

JUL 30 2004

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES

From: Melanie Sabelhaus *MS*
Deputy Administrator
U.S. Small Business Administration

Subject: Small Business Administration (SBA), Expiring Program Authority

The purpose of this Memorandum is to advise you of the expiration of the statutory authority for the Small Disadvantaged Business (SDB) prime contracting mechanisms for civilian agencies and the Very Small Business (VSB) Program.

Specifically, the SDB price evaluation adjustment, originally authorized under Public Law 103-355, Section 7102, (15 U.S.C. § 644 note), expired starting on June 5, 2004. That statutory provision, as implemented in the Federal Acquisition Regulation Subpart 19.11, authorized civilian agencies to apply the price evaluation adjustment to benefit certified SDBs at the prime contracting level. Until Congress reauthorizes this provision, it remains in effect only for the Department of Defense (DoD), National Aeronautics and Space Administration (NASA), and the Coast Guard, since their SDB procurement preference authority is not covered under this expired statutory provision. (Please note: The 5% governmentwide procurement contract goal established under Public Law 95-507 (15 U.S.C. §644(g)), for small business concerns owned and controlled by socially and economically disadvantaged individuals remains in effect for both defense and civilian agencies.)

In addition, the VSB Program, originally authorized under Section 304 of SBA's Reauthorization and Amendments Act of 1994, Public Law 103-403, expired beginning on June 5, 2004, for all Federal agencies. The VSB Program was created as a governmentwide pilot program to increase contracting opportunities for VSB concerns.

SBA is actively engaged in promoting Small Business and continues its efforts to encourage Congress to reauthorize the Program.